

Dowling Stipulation

of the OTS, except as to Jurisdiction in paragraph 1 below, which is expressly admitted, Dowling hereby stipulates and agrees to the following terms:

1. Jurisdiction.

(a) Commercial Pacific is a "savings association" within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, it is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) DOWLING, as a former Director of Commercial Pacific, is an "institution-affiliated party" as the term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six years of the date hereof (see 12 U.S.C. § 1818(i)(3)).

(c) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal Banking Agency" to maintain an enforcement proceeding against a savings association or its institution-affiliated parties. Therefore, DOWLING is subject to the authority of the OTS to initiate and maintain a cease and desist proceeding against him pursuant to 12 U.S.C. § 1818(b). The Director of the OTS has delegated to the Regional Directors of the OTS or their designees ("Regional Director") the authority to issue cease and desist orders where the individual has consented to the issuance of the Order to Cease and Desist ("Order").

2. OTS Findings of Fact.

The OTS finds that DOWLING violated laws, rules, and regulations, engaged in unsafe and unsound practices, and breached his fiduciary duties when he arranged three loans from Commercial

Pacific for multiple borrowers but failed to disclose his personal interests in the loans to the Board at Commercial Pacific, prior to the funding of the loans. None of the loans resulted in a loss to the Association.

3. Consent.

DOWLING consents to the issuance by the OTS of the Order. He further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality.

The Order is issued under 12 U.S.C. § 1818(b). Upon its issuance by the Regional Director it shall be a final order, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers.

DOWLING waives the following:

(a) the right to be formally served with a notice of the OTS's charges against him;

(b) the right to an administrative hearing of the OTS's charges provided by 12 U.S.C. § 1818(b)(1);

(c) the right to seek judicial review of the Order, including any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) any and all claims for the award of fees, costs or expenses relating to this OTS enforcement matter and/or the Order, including any claims under the Equal Access to Justice Act, 5

U.S.C. § 504 and 28 U.S.C. § 2412.

6. Indemnification.

DOWLING represents that he has not received, directly or indirectly, any sums from Commercial Pacific (or any holding companies, affiliates, subsidiaries, service corporations, or successors thereof), for the purpose of indemnifying or reimbursing him for any expense incurred by him in connection with OTS Investigation No. SF-95-019.

DOWLING shall neither cause nor permit Commercial Pacific (or any holding companies, affiliates, subsidiaries, service corporations, or successors thereof) to incur, directly or indirectly, any expense for any legal or other professional expenses incurred relative to OTS Investigation No. SF-95-019 or the negotiation and issuance of the Order, nor obtain any indemnification (or other reimbursement) from Commercial Pacific (or any holding companies, affiliates, subsidiaries, service corporations, or successors thereof) with respect to such expenses. In the event that any such payments are received by or on behalf of DOWLING in connection with this action, DOWLING agrees to promptly notify the OTS of the receipt of such payments and to return such payments without delay to Commercial Pacific (or any holding companies, affiliates, subsidiaries, service corporations, or successors thereof).

7. Other Governmental Actions Not Affected.

(a) DOWLING acknowledges and agrees that the consent to entry of the Order is for the purpose of resolving this OTS

enforcement matter only and does not release, compromise, settle, dismiss, resolve, preclude or in any way affect any other civil or criminal proceeding which may be or has been brought against him by the OTS or any other governmental agency.

(b) By signing this Stipulation, DOWLING agrees that he will not assert this proceeding, his consent to the entry of the Order, and/or the entry of the Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other federal or state governmental entity.

8. Agreement for Continuing Cooperation.

DOWLING agrees that, at the OTS's written request, on reasonable notice and without service of a subpoena, he will provide discovery and testify truthfully at any deposition and at any judicial or administrative proceeding related to any investigation, litigation, or other proceeding maintained by the OTS relating to Commercial Pacific, its subsidiaries and its institution-affiliated parties, except that DOWLING does not waive any privilege against self-incrimination under the Fifth Amendment of the United States Constitution or any attorney-client privilege. If DOWLING invokes his privilege against self-incrimination under the Fifth Amendment of the United States Constitution with respect to any information requested by the OTS and the OTS obtains a grant of immunity pursuant to 18 U.S.C. § 6001 et seq., DOWLING agrees, consistent with any such grant of immunity, to provide discovery and testify truthfully at any deposition and at any judicial,

administrative, or investigative proceeding on the matter for which immunity is given.

9. Miscellaneous.

(a) The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America.

(b) All references to the OTS in this Stipulation and the Order shall also include any of the OTS's predecessors, successors and assignees.

(c) The section and topic headings in this Stipulation and in the Order are for convenience only, and such headings shall not affect the interpretation of this Stipulation and Order.

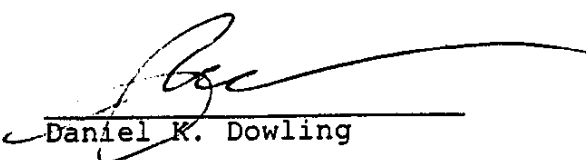
(d) The Stipulation and the Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through the Regional Director.


WHEREFORE, DANIEL K. DOWLING executes this Stipulation intending to be legally bound hereby.

By:

Accepted by:

OFFICE OF THRIFT SUPERVISION


Daniel K. Dowling


John F. Robinson
Regional Director
West Region

Dated: 1/21/97

Dated: February 3, 1997

(dowlingcd.stip 22/12/word)

1
UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION
DEPARTMENT OF THE TREASURY

In the Matter of)

DANIEL K. DOWLING,
a former Director,)

COMMERCIAL PACIFIC BANK, F.S.B.,
Santa Cruz, California.)
_____)

OTS Order No. SF-97-002

Dated: February 3, 1997

ORDER TO CEASE AND DESIST

WHEREAS, DANIEL K. DOWLING ("DOWLING"), a former Director of Commercial Pacific Bank, F.S.B., Santa Cruz, California ("Commercial Pacific"), has executed a Stipulation and Consent to the Issuance Entry of an Order to Cease and Desist ("Stipulation"); and

WHEREAS, DOWLING, by his execution of the attached Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist ("Order"), pursuant to 12 U.S.C. § 1818(b); and

WHEREAS, the Regional Director of the West Region or his designee ("Regional Director") has the authority to issue cease and desist orders where the individual has consented to the issuance of the Order.

NOW, THEREFORE, IT IS ORDERED that:

1. DOWLING shall cease and desist from violations of any laws, rules, or regulations including, but not limited to violations of 12 C.F.R. § 563.43 and 12 C.F.R. Part 215 ("Reg O").

Dowling Order

IT IS FURTHER ORDERED that:

2. Fiduciary Duties.

Whenever DOWLING is an Institution-Affiliated Party of a Banking Institution (as the terms are defined in paragraph 7), he shall fulfill his fiduciary duties to such institution, including his fiduciary duties of loyalty, candor and care.

3. Disclosure.

At any and all times in which DOWLING serves as an Institution-Affiliated Party, he shall comply with the following:

(a) DOWLING shall, at all times, fully disclose all personal interests and benefits received in any extensions of credit from the Banking Institution to the board of the Banking Institution, prior to the funding of any such extensions of credit.

(b) DOWLING shall, at all times, abstain from participating, directly or indirectly, in the voting on any extensions of credit where he has a personal interest or he receives a benefit, directly or indirectly. DOWLING shall not participate in the discussion, or make any attempt to influence the voting of the board of the Banking Institution regarding such extensions of credit.

(c) DOWLING shall, at all times, ensure that any such disclosure and abstention from vote by him is fully documented in the corporate records, including the board minutes of the Banking Institution.

4. Notice to Banking Institution.

Prior to accepting any position as an Institution-Affiliated Party or if at present, DOWLING is an Institution-Affiliated Party, DOWLING shall provide a copy of this Order to the chief executive officer and all directors of the Banking Institution with which DOWLING is affiliated or is to be affiliated.

5. Notice to Regulators.

Prior to accepting any position as an Institution-Affiliated Party, DOWLING shall provide Notice to the OTS and any other Appropriate Federal Banking Agency (as defined in paragraph 7) of his intention to accept a position in a Banking Institution. Such Notice shall include written certification by DOWLING that he has complied with paragraph 4 of the Order.

6. Responses to Requests.

DOWLING shall promptly and appropriately respond to any request from the OTS for documents that the OTS reasonably requests to demonstrate compliance with this Order.

7. Definitions.

For purposes of this Order:

- (a) "Appropriate Federal Banking Agency," as used in this Order, shall have the meaning set forth at 12 U.S.C. § 1813(q);
- (b) "Banking Institution," as used in this Order, refers to any and all of the following: any "insured depository institution" as that term is defined at 12 U.S.C. § 1813(c) (including but not

limited to banks and savings associations); any direct or indirect subsidiary of an insured depository institution, whether wholly or partly owned; any "insured credit union" within the meaning of 12 U.S.C. § 1752(7); any "savings and loan holding company" within the meaning of 12 U.S.C. § 1467a(a)(1); any "bank holding company" within the meaning of 12 U.S.C. § 1841; and any direct or indirect subsidiary of any such holding companies, whether wholly or partly owned;

- (c) "Institution-Affiliated Party," as used in this Order, shall have the meaning set forth at 12 U.S.C. § 1813(u);
- (d) Any terms used herein that are defined in other paragraphs of this Order (including the Stipulation incorporated herein) shall have the meanings ascribed to them in such paragraphs; and
- (e) Except as otherwise expressly provided in this Order, any terms used herein that are defined in the Home Owners' Loan Act or the Federal Deposit Insurance Act shall have the meanings ascribed to them in said statutes. See, e.g., 12 U.S.C. § 1813.

8. Notice.

Any notice to the OTS required under this Order shall be provided to the following address:

Regional Director, West Region
Office of Thrift Supervision
One Montgomery Street, Suite 400
San Francisco, CA 94104
Facsimile No.: (415) 616-1573

9. Stipulation.

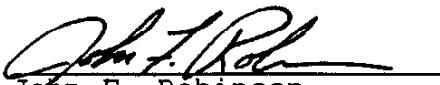
The Stipulation is made a part hereof and is incorporated herein by this reference.

10. Effectiveness of Order.

This Order shall become effective on the date it is issued, as shown in the caption hereof. This Order shall remain in effect until it is terminated, modified, or suspended, which may occur only by formal written action of the OTS, acting by and through its Regional Director.

OFFICE OF THRIFT SUPERVISION

By:


John F. Robinson
Regional Director
West Region

(dowlingc&d.ord 22/12/word)

Dowling Order